British Columbia Trade Development Corporation

Annual Report
1989-1990

A CROWN CORPORATION OF THE PROVINCE OF BRITISH COLUMBIA, CANADA

Province of British Columbia

OFFICE OF THE MINISTER

Ministry of International Business and Immigration

Parliament Buildings
Victoria
British Columbia
V8V 1X4

91-00021/

The Honourable David C. Lam
Lieutenant-Governor of British Columbia

May It Please Your Honour:

I respectfully submit the first Annual Report of the British Columbia Trade Development Corporation for the time period of June 1, 1989 to March 31, 1990.

Sincerely,

Elwood Veitch.

Elwood N. Veitch
Minister of International Business
and Immigration

BC TRADE
PARTNERS IN EXPORT

BRITISH COLUMBIA TRADE DEVELOPMENT CORPORATION

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Honourable Elwood N. Veitch
Minister of International Business
and Immigration

Dear Mr. Veitch:

I have the honour to submit the first Annual Report of the British Columbia Trade Development Corporation for the time period of June 1, 1989 to March 31, 1990.

Sincerely,

R. Lorne Seitz
President and
Chief Executive Officer

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Mission Statement

On June 1, 1989, the British Columbia Trade Development Act came into force bringing a new Crown corporation into existence. Its mandate is clearly stated: "to encourage and facilitate the export of British Columbia goods and services and to foster within B.C. the expertise necessary to ensure a strong legacy of economic growth."

Working closely with the Ministry of International Business and Immigration, with which it is affiliated, B.C. Trade aims to accomplish this by:

* helping companies increase their exports;
* assisting more companies to begin exporting;
* getting more companies to include exporting as part of their business plans.

Chairman's Message

It is my privilege to introduce the first annual report of the British Columbia Trade Development Corporation, a Crown agency of the Province of British Columbia. This document reviews the initial ten months of operation — from incorporation on June 1, 1989, until the end of our fiscal year, March 31, 1990.

In those ten months, the activities undertaken — and their results — have clearly shown that this Provincial Government initiative has been well-received throughout the Province.

In my role as Chairman of B.C. Trade, and Minister of International Business and Immigration, one fact has always been clear to me - British Columbia has a small, open economy and we must expand beyond our Provincial borders if we are to prosper.

In doing that, we must be aware of four fundamental global trends: global economic integration, the formation of regional trading groups, stiffer competition for investment dollars, and dramatic growth of the technology and service sectors.

The combination of the Ministry and the British Columbia Trade Development Corporation, with its export mandate, provides a very creative package for addressing these important trends and the challenge of international marketing.

Global Economic Integration

Canada's Free Trade Agreement with the United States is an excellent example of how global economies are becoming more integrated. This agreement effectively put 40 million customers within two days trucking distance of British Columbia, which will allow B.C. firms to take advantage of economies of scale.

Regional Trading Groups

The European Economic Community, the Pacific Rim, and the Canada/US Free Trade Agreement are three key regional trading groups. B.C. firms, many with the help of B.C. Trade, are already penetrating all three trading areas.

Stiffer Competition For Investment Dollars

As we develop our own export markets around the world, we also develop a comprehensive network of business contacts who may well be interested in investing in British Columbia or working in partnership with our companies.

Technology And Service Sectors

The international reputation of B.C.'s research facilities and the close working relationship that has developed between the universities and companies in the private sector is an attractive feature of our Province. Indeed, the high technology industry is fast becoming an identifiable feature of our economy.

Furthermore, the growth of the service sector of our economy, including international services trade, will become significantly more important for British Columbia in the future.

British Columbia's most valuable resource has always been its people and, in this respect, B.C. Trade has also benefitted. I would like to extend my most sincere gratitude to our first Board of Directors. They represent many different business sectors and come from every region of the province and have worked extremely hard to establish B.C. Trade.

I believe that B.C. Trade....Your Partners in Export....can go the distance for British Columbia.

Elwood N. Veitch
Minister of International Business and Immigration
Chairman, B.C. Trade Development Corporation

President's Report

In ten months from June 1, 1989, to March 31, 1990, B.C. Trade evolved from a modest core of staff transferred from the Ministry of International Business and Immigration (MIBI) to a fully operational entity with a somewhat surprising track record in so short a time.

While the organization was able to immediately launch a number of activities inherited from MIBI, the initial months were heavily occupied by normal start-up activities — engaging the majority of the staff, establishing financial, personnel and administrative systems and, most importantly, developing a focus and strategy for the Corporation.

The Board of Directors and the management group quickly determined that our mandate would be to serve our clientele — the existing and future exporting community of British Columbia. It also became evident that larger companies, particularly those in the resource sectors, did not require a great deal of assistance or service from B.C. Trade. As a result, a clear focus emerged. Our clientele is small and medium-sized current or potential exporters, particularly those in value-added manufacturing and service sectors.

During the course of our first ten months, we discovered a very high degree of export interest within the British Columbia business community. We were also quite pleased, and somewhat surprised, at the variety of goods and services produced in British Columbia, whether machinery from Vancouver, trucks from Kelowna, teddy bears from Salmon Arm, bottled water from Fanny Bay, computer software from Victoria or joinery lumber from Burns Lake. We found products and services with excellent opportunities produced by aggressive and innovative companies in all parts of the Province. The need was quite evident for cooperative and coordinated marketing activities, for individual counselling on export planning or to address particular problems, and for a wide range of information.

The performance of B.C. Trade in its first year was, in my view, quite satisfying. Results are hard to measure since we do not sell products ourselves. Instead, we attempt to assist others to market their goods and services. Nevertheless, it is estimated that over $50 million in export sales resulted from the activities of B.C. Trade. In addition, the B.C. Film Commission, an integral part of B.C. Trade, reported a record year in which the film industry surpassed $200 million in revenue.

In addition, the Corporation organized or participated in approximately 160 events; counselled over 600 companies; provided financial support or loan guarantees for some 150 companies; received 200,000 inquiries or visits at the Business Information Centre; and expanded to over 900 companies and nearly 100 organizations the number of direct users of the B.C. Business Network.

Financially, B.C. Trade ended the fiscal year with a $250,000 surplus. Furthermore, the Corporation completed the move to new facilities at the World Trade Centre and transferred over $500,000 to a reserve fund to support the Export Loan Guarantee Program.

At the first Board of Directors meeting, held on July 17, 1989, in Kelowna, a two-year business plan was approved by the Board. The next operating year, 1990/91, will see the completion of that plan. With the experience of our first year, and in consultation with business groups and individual companies, we will be able to focus, in a more targetted manner, on organized activities and events (e.g., trade fairs, missions, seminars). We expect to experience an increase in our counselling activity. Lastly, the Export Loan Guarantee Program will also see significant growth.

In concluding this first annual report, I want to pay particular tribute to the staff of B.C. Trade. Throughout the year, they have exhibited enthusiasm, initiative and dedication. Above all, they have continually focussed on our primary goal — service to our clientele.

R. Lorne Seitz
President and Chief Executive Officer

Board of Directors

Your Partners In Export

B.C. Trade's Board of Directors is comprised of individuals from a wide cross-section of industry sectors, representing every region of the Province. Their extensive first-hand knowledge of the intricacies of export have helped to formulate B.C. Trade's export promotional strategies, financial assistance and training programs.

The active involvement of the Board in all of B.C. Trade's activities, ensures that B.C. Trade will remain sensitive and responsive to the needs of the B.C. business community.

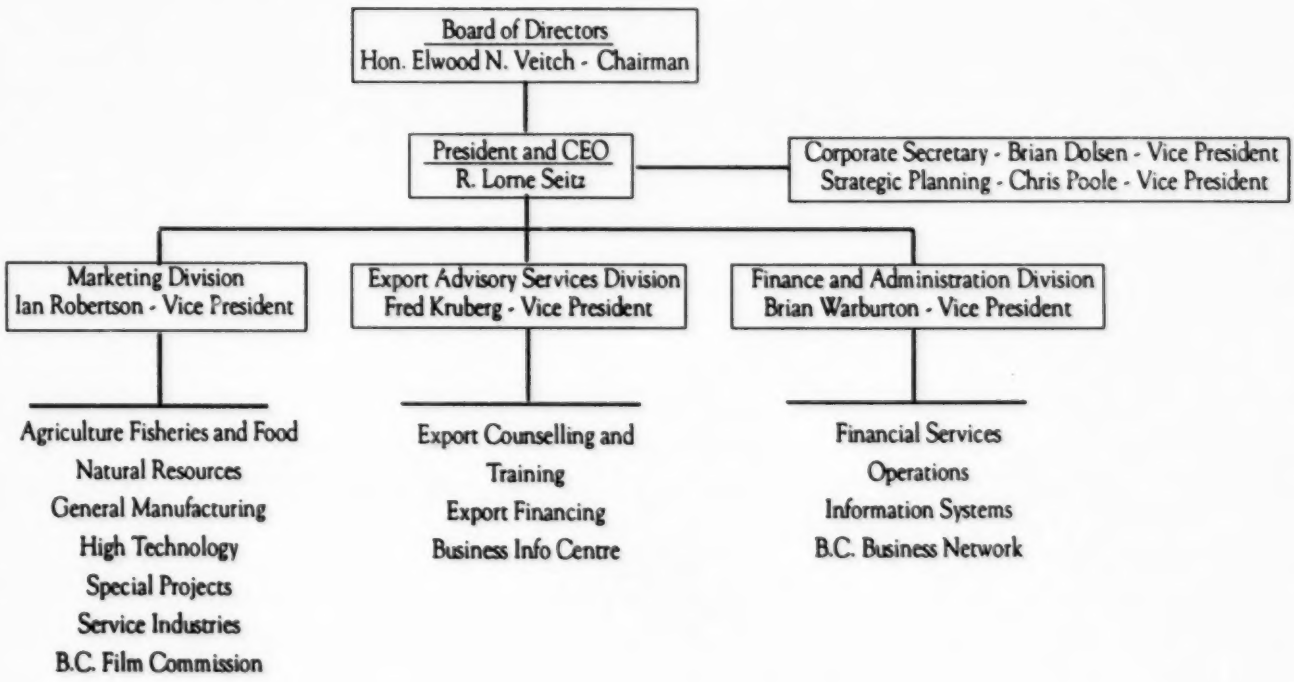
B.C. Trade's Board of Directors:

Honourable Elwood N. Veitch, (Chairman), Minister of International Business and Immigration (1,2,3)
Win Stothert, (Vice Chairman) Chairman, The Stothert Group Inc.; Vancouver(1,2)
R. Lorne Seitz, President and CEO, B.C. Trade Development Corporation (1,2,3)
Michael C. Burns, Executive Vice President, B.C. Gas Inc.; Vancouver (1)
Lloyd Callahan, President, Callahan Construction Company Ltd.; Kelowna
Larry Chalmers, M.L.A. Okanagan South and Parliamentary Secretary, Ministry of Regional and Economic Development
Doug Coppin, President, Northern Steel Ltd.; Prince George (1,2)
Helmut Eppich, Chairman, EBCO Industries Ltd.; Richmond
Ellen Godfrey, President, Softwords; Victoria
Raymond Hennessy, President, R. Hennessy Lumber; Burns Lake
Les Kerr, President, Conair Aviation; Abbotsford
Jamie Kidston, President, B.C. Tree Fruits; Kelowna
Henry Litzenberger, General Manager, Reindeer Sales Canada Inc.; Fort St. John
Tom Locke, President and CEO , Gastown Post and Transfer; Vancouver
Len Lowe, Managing Director, South Van Colour TV Ltd.; Vancouver (2)
Jim MacFarlane, President, International Submarine Engineering; Port Coquitlam
Gerry McGaw, President, McGaw Empress Agencies Ltd.; Chilliwack (1)
F. Bruce McLean, President, B.W. Creative Wood Industries Ltd.; Maple Ridge(3)
Angus Ree, Q.C., MLA North Vancouver-Capilano and Parliamentary Secretary, Ministry of International Business and Immigration
Darcy Rezac, Managing Director, The World Trade Centre; Vancouver
Stan Rogers; Langley
Mike Smith, President, Rocky Mountain Visitors Association; Invermere
Leslie Strike, President, Startec Marketing Corporation; Burnaby (1)
Henry E. Thiel, Chairman, Thiel Resources Ltd.; Victoria (1)

Barry Tyrer, President, Tyrer Enterprises Ltd.; Richmond (3)
Ben Voth, Chairman, First Heritage Credit Union; Chilliwack (3)
Al Wagner, President, Salish Industries Ltd.; Burnaby(3)
Tony Walls, Partner, Rutherford Bazett; Kelowna (1,2,3)
Kelly Williams, Vice President, Wedeene River Contracting Co. Ltd.; Prince Rupert

(1) Member of Executive Committee
(2) Member of Audit Committee
(3) Member of External Finance Committee

ORGANIZATION CHART



Marketing DIVISION

Ian Robertson - Vice President

Overview

The overall objective of the Marketing Division is to develop and deliver marketing and promotional programs that will increase the export of B.C. products and services.

The Marketing Division works in cooperation with Provincial and federal officials in Ottawa, the United States and overseas to promote specific product sectors and heighten the profile of B.C. exports and exporters.

The Division provides market intelligence on new business opportunities, and assists B.C. companies to evaluate opportunities and create appropriate strategies to gain the maximum benefit from these opportunities.

The Marketing Division organizes trade missions and trade shows, arranges the participation of B.C. companies in these events, and helps to introduce incoming buying delegations to appropriate companies. The Division works with individual companies, groups of companies, marketing consortia, and industry associations. In fiscal 1989-1990, the Division organized or participated in 126 marketing events eg; trade shows and trade missions.

The majority of B.C. firms are small to mid-sized. While many are aggressive marketers with quality products, making an international impact can be extremely difficult and costly. To help overcome this, the Division encourages them to collaborate with complementary firms to reduce costs and increase their collective profile and profitability. In addition, the Division works with existing trade associations which include international marketing as part of their mandate.

The Division also administers the New Market Development Program (NMDP), designed to give smaller B.C. businesses financial assistance, on a dollar-for-dollar basis, to seek out export business in new markets. For fiscal 1989-1990, the Division approved 133 projects under the NMDP.

A key activity of the Division is to help B.C. firms gain access to funding programs offered outside the Province. The federal government and various international organizations — the World Bank, the Asian Development Bank, and the Inter-American Development Bank — all provide large volumes of funding for international trade and development projects. The Division is constantly looking for ways that B.C. firms can use such funding to increase B.C.'s export activities.

Branch Activities

The Marketing Division is divided into seven Branches.

Agriculture Fisheries and Food Branch

The Branch supported British Columbia companies in promoting their products in the United States, Japan, Hong Kong, Korea, Germany, Spain, Taiwan, and New Zealand.

A key activity of this Branch has been to work with Taste of Canada (TOC), an organization with one mission in mind - to become the premier promoter of Canadian foods and beverages internationally. In less than one year, the organization successfully sold eight Taste of Canada retail theme promotions to food retailers in the United States, Hong Kong, and New Zealand.

The long-term payoff of TOC promotions, which typically last about two weeks, is permanent listings of those foods that succeeded in attracting customers during the promotion. Early results indicate that B.C. companies did extremely well in promotions in Phoenix, Arizona; Hong Kong; and New Zealand.

With seafood as B.C.'s most important food product, the Branch worked closely with seafood producers to develop their international marketing programs. A special program was installed to support generic promotional programs carried out by the Fisheries Council of B.C., the B.C. Salmon Farmers Association, and the B.C. Oyster Growers Association, and to support a number of individual firms.

The Branch sees great potential for B.C.'s seafood in the United States and in the burgeoning Asia-Pacific markets. To that end, the Branch helped nine companies exhibit at the largest food exhibition in Japan, Foodex '90.

Natural Resources Branch

The Branch's primary focus is B.C.'s forest industry and a key role was played in two initiatives designed to help this industry: the Cooperative Overseas Market Development Program (COMDP) and the Cooperative Industrial Market Development Program (CIMDP), both of which are funded by the federal and Provincial governments and B.C.'s forest industry. The latter program is designed to assist development and marketing of value-added wood products.

The Branch's overall effort for the forest industry is to help develop the markets for British Columbia's wood products in Europe, Japan and other overseas markets. Other activities involved trade events in the mining and energy sectors and evaluating the potential for more substantive involvement with other natural resource sectors.

General Manufacturing Branch

The Branch is responsible for a broad range of products from handicrafts and giftware, to heavy sawmill equipment.

A key focus is the forest industry equipment manufacturing sector. Consequently, the Branch developed plans for a major marketing effort to sell sawmill equipment internationally - in particular to the Soviet Union. In addition, the Branch assisted manufacturers in their marketing efforts in Chile, Australia, New Zealand, and Indonesia.

B.C.'s fashion industry also received substantial support from the Branch, particularly to a group of companies attending the World Fashion Fair in Osaka — one of the premiere fashion events in the world — and to a group of junior fashion companies attending an important trade show in Montreal.

The Branch also worked to increase exports for the sporting goods, mining equipment and marine industries. Three specific activities involved developing information about each sector; evaluating potential international markets; and supporting participation in trade events.

High Technology Branch

One of the highlights of this Branch's activities was ensuring that B.C.'s presence at Airshow Canada '89 - the first ever - was strong. This major international event provides an excellent opportunity to showcase B.C. products to buyers around the world.

B.C.'s subsea industry also received a considerable boost. The Branch examined the marketing and financial aspects of the industry, assisted key firms with marketing plans, and played a leadership role in attracting the "Intervention", or ROV '90 (Remotely Operated Vehicles), conference to B.C. This major international conference and trade fair will take place in Vancouver in June, 1990.

The Branch also played an active role in British Columbia's strong and growing software industry, particularly with respect to helping the marketing efforts of the industry's new association, Software B.C.

A number of companies in the telecommunications industry - the fourth priority sector identified by the Branch - received assistance through the New Market Development Program and trade show attendance.

Special Projects Branch

The prime purpose of the Special Projects Branch is to help B.C. companies secure new business by increasing federal government procurement opportunities, maximizing benefits from major Crown projects, improving access to and cooperation with the federal government, and removing impediments to sales via specialized export techniques and changes to procurement procedures.

The Branch provides information about national and international procurement organizations, major project opportunities, and government procurement procedures. In order to meet the demands of complex procurement projects, the Branch forms special project teams, which often include representatives of provincial ministries.

These teams focus and deploy their collective existing resources on specific opportunities, in a cohesive unified manner, to help companies achieve even greater business for B.C. as a whole.

One example of such a team is Business and Industry Development B.C. or BID-B.C. — a joint initiative of the Industry Development Association of B.C. and the Corporation. BID-BC's main objective is "to help B.C. firms secure a larger share of major Crown projects, subcontracts, and other federal procurements, and to participate more fully in funding assistance programs."

BID-BC works to keep its 150-plus members - from B.C.'s manufacturing, service and technology sectors - informed about current procurement projects and subcontracting possibilities. It also works to increase its members' presence at the federal buying table to help increase B.C.'s share of federal government contracts.

Its bi-monthly newsletter, Access Ottawa , provides information on upcoming contracts, procurement missions, and special seminars, workshops and presentations aimed at helping members become more proficient at selling to the federal government.

Service Industries Branch

Initial effort in this Branch was directed toward defining a mandate for this new sector of interest. Of specific importance are: environmental services, consulting engineering services, education/training services, and health care services.

GLOBE '90, the first-ever international environment symposium and trade fair, had considerable involvement from the B.C. government. B.C. Trade, for example, produced a directory of environment industry companies in British Columbia, and organized the B.C. Pavilion, the largest display at the trade fair. In all, 29 B.C. firms and 13 government ministries exhibited in the B.C. Pavilion. Approximately 21,000 people visited the trade show's 600-plus exhibit booths, while the conference attracted 2,500 delegates.

B.C. Trade co-sponsored the Asia Marketing Group, an initiative of the Consulting Engineers of British Columbia. The goal of the group is to increase its rate of success in winning contracts in the Asia Pacific Region - in particular, contracts for projects financed by the Asian Development Bank. Funding provided by B.C. Trade enabled the Asia Marketing Group to appoint a local representative in Manila, a step which has substantially increased their opportunities in the region.

B.C. Film Commission

The B.C. Film Commission "sells British Columbia" to international TV and film producers. Fiscal 1989-1990 was the most successful year for the B.C. film industry with $201 million in revenues - 75 percent of which came from outside the province - a direct result of the Commission's promotional activities.

For every $1 spent in B.C. by the film industry, approximately another $3 to $4 are generated during the production stages of film making. In fiscal 1989-1990, therefore, an additional $600-800 million was injected into the B.C. economy.

In addition to its general promotion of B.C. as an ideal filming location, the Commission also performs a range of services to encourage production companies to film in B.C.

For example, the Commission maintains an extensive photo file of locations to help production companies find the locations they need for specific scenes. Commission staff assist producers with budgeting and production scheduling. And they will liaise between the production company and other interested parties, the general public, as well as the government and private sectors.

Export Advisory SERVICES DIVISION

Fred Kruberg - Vice President

Overview

The Export Advisory Services Division has a mandate to facilitate increased sales of B.C. products and services by providing B.C. firms with specialized export management counselling, targeted training programs, and access to financing including non-conventional trade structures such as countertrade.

In keeping with this function, the Division's highly-successful Business Info Centre acts - on behalf of various Provincial ministries and Crown agencies - as a single source of information on international and trade topics, general business interests, statistical data and government programs.

Branch Activities

The Export Advisory Services Division is divided into three Branches.

Export Counselling and Training Branch

The prime focus of this Branch is to provide advice and guidance on export-related issues such as market planning, product risk management, quality assurance, product modification for export markets, packaging and shipping, appropriate distribution channels, export regulations and procedures, customs, trade barriers and free trade, credit collection, as well as inter-cultural insights.

Export counselling staff help existing exporters on a one-on-one basis to improve their success rate in penetrating export markets and also help companies not currently involved in export to develop and implement an export program.

To help non-exporting firms prepare for export B.C. Trade offers a formalized computer system called CORE - COmpany Readiness for Export.

In working with this system, companies answer a series of 64 questions. Their answers are analyzed and a printed 35-page report is created which includes an in-depth assessment of the company's status, a list of recommendations, and a list of appropriate sources of information — all in less than two hours. The service is available at B.C. Trade offices and Chambers of Commerce throughout the Province.

Export Finance Branch

Of the utmost importance to businesses today is the ability to react to market demands in a timely manner. For example, a business facing sudden increased demand for its products or services will likely need a source of temporary funding to meet the new demand.

The Export Financing Branch offers financing alternatives designed to help B.C. firms overcome many of the financial difficulties associated with international business. The Export Loan Guarantee Program administered by this Branch is the first program of its kind in B.C. to guarantee pre-shipment working capital for financing out-of-province contracts. In addition, the program offers assistance when bid bonds, performance bonds, and letters of credit are the stumbling blocks to obtaining export business.

During its first year of operation, the Branch approved loan guarantees of $2,879,500.

A company's export-readiness and the potential impact of the contract are the two key criteria which the Branch uses to decide whether a firm qualifies for financial assistance. An export-ready firm is one which demonstrates management and plant capabilities to meet stringent export market demands. Potential impact is based on substantial current and quantifiable net B.C. content.

The Branch also advises on available export finance programs — who offers them, and how to qualify for them — and on export risk control. It will also help companies to obtain equity and other financing from commercial sources to strengthen their financial position.

During the year a special seminar, organized and presented by the Branch, introduced B.C. companies to countertrade practices - a non-conventional financing structure for shipments to developing nations.

Trading houses play a key role in world trade, especially in commodities. The Branch worked closely with B.C. manufacturers and trading houses to increase the latter's role in exporting manufactured goods.

Business Info Centre

Good information and relevant training are prime requisites for success in any business today. The Business Info Centre, run in cooperation with the Ministry of Regional Economic Development, offers a wide variety of current business information and state-of-the-art educational materials.

The library at the Business Info Centre carries business periodicals, directories, reference and how-to materials, daily updates on export opportunities from government and non-government organizations, listings of agents and distributors, country profiles, market studies, and information on upcoming tradeshows.

In addition, visitors can rely on the personalized help of Trade Information Officers to help them make the most of all the resources provided by Provincial, federal government and non-government agencies.

The Business Info Centre team includes representatives of: the B.C. Purchasing Commission, which buys products for the Provincial Government; Central Statistics Bureau, offering information on B.C.'s exports and imports; and the Department of Supply and Services, the general purchasing arm of the federal Government.

The Business Info Centre also offers a wide variety of self-directed training programs - some video-based, others text or computer-based — including CORE. Other courses offer information on obtaining export financing, alternative forms of transportation, export/import terminology, export pricing, documentation procedures, joint ventures and licensing agreements.

The Business Info Centre tracks a range of activities to gain a clearer understanding of how it assists the B.C. business community. The Centre increased the number of contacts it made with business people from 163,221 for fiscal 1988-1989 to 205,137 for fiscal 1989-1990, representing a 25 percent increase.

Finance and Administration DIVISION

Brian Warburton - Vice President

The Finance and Administration Division is responsible for financial, administrative, technical, personnel and information systems services for staff of the Corporation. The Division's responsibilities also include the British Columbia Business Network.

Branch Activities

The Finance and Administration Division is divided into four Branches.

FINANCIAL SERVICES BRANCH

The primary focus of the Branch during the year was the establishment of a corporation accounting and financial reporting system. In addition, British Columbia banks submitted quotes and, after detailed analysis, the Royal Bank of Canada was selected as the corporate bank. Policies and procedures covering accounts payable/receivable, asset control, payroll and spending authorities were developed and implemented.

OPERATIONS BRANCH

The Branch established a personnel salary and benefit package and recruited 70 employees, including the transition of MIBI staff to the Corporation. A major component of the year's activity was the overall planning and coordination of the move to the World Trade Centre.

INFORMATION SYSTEMS

Designing, implementing and maintaining an electronic communications infrastructure for B.C. Trade's domestic and international operations is the function and responsibility of the Information Systems Group.

The Group installed a flexible cabling system in B.C. Trade's new facilities to support current and future needs of the Corporation. The new Local Area Network provides access to word processing, spreadsheet and database software, as well as to electronic mail and corporate contacts.

B.C. BUSINESS NETWORK

BCBN is an electronic marketplace that links producers to markets, entrepreneurs to investors, and vendors to customers. The network is comprehensive and powerful, yet easy to access via iNet 2000 for both the novice and experienced computer user.

The number of registered BCBN users in 1989-1990 tripled to a total of nearly 1000. BCBN had an additional 500 indirect users through Chambers of Commerce, business associations, and economic development offices around the Province. A substantial percentage of all users are outside the Lower Mainland emphasizing the need for accurate and comprehensive business information in B.C.'s most remote regions.

Statistics on user satisfaction indicate that 30 percent of all users "made money" through BCBN; of those accessing the Business Opportunities section 60 percent "made money". Users generally agreed that the network presented them with new business that they normally would not have had access to.

In fiscal 1989-1990, BCBN added to its range of new information services.

- Public tender information from the four Western provinces
- World Bank tenders
- Worldwide agricultural sales leads
- Ministry of Agriculture and Fisheries information
- Expanded and enhanced the Information Resources section which contains government acts, regulations, key contacts, calendar of events
- Updated and expanded trade and economic statistics such as External Trade Report and Regional Index

During the fiscal year, BCBN rationalized and increased the quality of company information in the Companies Directory, which contains some 15,000 B.C. companies. Within the Companies directory, BCBN created a special High Technology Companies directory.

Corporate Office

REPORT FROM THE OFFICE OF THE CORPORATE SECRETARIAT

The Corporate Secretariat is responsible for the operation of the Board of Directors and executive committee of B.C. Trade; for the legal and regulatory aspects of the Corporation; and for internal coordination and planning.

In keeping with the Corporation's mission to help all regions of the Province improve their exporting capabilities the four Board of Directors meetings were held throughout the various regions. The first meeting of the Board, held in Kelowna in July, 1989, brought together for the first time a diverse group of individuals. They live all over the Province, from Invermere to Burns Lake; and have business interests from aerospace to reindeer farming. Other meetings were held in Vancouver, Victoria and Sechelt. While the first meeting dealt largely with administrative matters in setting up a framework for the Corporation to operate within, subsequent meetings dealt with varied topics such as trade policy, the effect of high interest rates on B.C.'s exports, and various options to assist small and medium-sized businesses increase their exports.

REPORT FROM THE DIRECTOR OF COMMUNICATIONS

Small in size but large in impact, the Communications and Public Affairs Branch serves both B.C. Trade and the Ministry of International Business and Immigration, helping to coordinate activities and initiatives and avoid unnecessary duplication.

The Branch mandate is to:

- heighten awareness of British Columbia among potential customers and investors, while providing the Ministry and B.C. Trade with effective communications and marketing tools; and
- keep British Columbians informed about the international opportunities available through investment and export, and the programs and services which are offered through the Province's government ministries and agencies.

To achieve this mandate, the Branch devised a three-part communications strategy:

1) Establish a corporate identity and communicate these internally and externally
2) Meet ongoing communications requirements — advertising, publications and audio-visual materials,
3) Develop a process for handling day-to-day public affairs.

The corporate identity has evolved from a concept, to a logo, to a clearly identifiable package of public relations tools including: corporate brochure, pamphlets describing individual programs, corporate video, presentation folders, lapel pins, and display materials.

Advertising campaigns have helped to introduce B.C. Trade and its services to, initially, a province-wide audience and, on a more regular basis, the business community. A bi-monthly newsletter - BC TRADE, aimed at those interested in export, outlines business activities and highlights B.C. success stories.

Day-to-day public affairs included major event coordination, media liaison, speech writing, press releases, photography, communications strategy, and project management.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants

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AUDITORS' REPORT

To the Minister, Ministry of International Business and Immigration:

We have examined the balance sheet of British Columbia Trade Development Corporation as at March 31, 1990 and the statements of revenues and expenditures and retained earnings and of changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles consistently applied.

Deloitte & Touche

Chartered Accountants

June 7, 1990

BRITISH COLUMBIA TRADE DEVELOPMENT CORPORATION

BALANCE SHEET

As at March 31, 1990

ASSETS

CURRENT ASSETS	
Cash	$2,209,071
Accounts Receivable	372,104
Prepaid Expense	139,000
	2,720,175
LOAN GUARANTEE RESERVE FUND	1,038,106
EQUIPMENT (Note 3)	1
	$3,758,282

LIABILITIES AND ACCUMULATED SURPLUS

CURRENT LIABILITIES	
Accounts Payable and Accrued Liabilities	$2,184,458
LOAN GUARANTEE RESERVE FUND (Note 4)	1,038,106
	3,222,564
COMMITMENTS (Note 5)	
ACCUMULATED SURPLUS	
Appropriated (Note 6)	285,000
Unappropriated	250,718
	535,718
	$3,758,282

APPROVED BY THE BOARD:

Director

Director

BRITISH COLUMBIA TRADE DEVELOPMENT CORPORATION
STATEMENT OF REVENUES AND EXPENDITURES
AND UNAPPROPRIATED SURPLUS
FOR THE TEN MONTHS ENDED MARCH 31, 1990

REVENUES	
Provincial Contributions	$8,046,076
Investment Revenue	216,125
Other Revenue	371,356
	8,633,557
EXPENDITURES	
Salary and Benefits	3,046,528
Programs	1,211,870
Professional Services	688,479
Equipment	617,146
Office and Business	468,813
Communications	443,754
Data Processing	391,379
Travel	375,034
Building Occupancy	291,600
Other	33,236
	7,567,839
EXCESS OF REVENUES OVER EXPENDITURES	1,065,718
LOAN GUARANTEE RESERVE FUND (Note 4)	
Contribution from surplus	530,000
APPROPRIATIONS FOR SPECIAL PROGRAMS (Note 6)	285,000
	250,718
UNAPPROPRIATED SURPLUS JUNE 1, 1989	0
UNAPPROPRIATED SURPLUS MARCH 31, 1990	$ 250,718

BRITISH COLUMBIA TRADE DEVELOPMENT CORPORATION
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE TEN MONTHS ENDED MARCH 31, 1990

OPERATING ACTIVITIES	
Excess of Revenues over Expenditures	$1,065,718
Changes in Working Capital Components	
Accounts Receivable	(372,104)
Prepaid Expenses	(139,000)
Accounts Payable and Accrued Liabilities	2,184,458
	2,739,072
CAPITAL ACTIVITIES (Note 3)	(1)
LOAN GUARANTEE RESERVE FUND	
Contribution from surplus	(530,000)
INCREASE IN CASH	2,209,071
CASH, JUNE 1, 1989	0
CASH, MARCH 31, 1990	$2,209,071

BRITISH COLUMBIA TRADE DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1990

1. AUTHORITY

British Columbia Trade Development Corporation is established under the Trade Development Corporation Act. The principle role of the Corporation is to promote the sale of British Columbia goods and services to markets outside British Columbia by providing advice and assistance to export enterprises on terms and conditions the Corporation considers advisable.

The Corporation commenced operations on June 1, 1989.

2. SIGNIFICANT ACCOUNTING POLICIES

As prescribed by Section 9(6) of the Trade Development Corporation Act, the financial statements of the Corporation are prepared according to generally accepted accounting principles.

a. Revenue

The Corporation's principle source of revenue is an annual contribution from the Province of British Columbia to fund its operating and capital requirements.

b. Equipment

Equipment purchases are acquired out of Provincial Contributions and are recorded as an expenditure in the year of acquisition. The equipment is recorded on the balance sheet at a nominal value.

c. Corporation Income Taxes

The Corporation is exempt from Federal and Provincial corporate income taxes.

3. EQUIPMENT

Cost	$617,146
Provincial Contribution	617,145
Net Book Value	$ 1

4. LOAN GUARANTEE RESERVE FUND

The Trade Development Corporation Act authorizes the Corporation to administer the Province of British Columbia Export Loan Guarantee Program. Funding is provided by grants from the Province of British Columbia and by contributions from the Corporation. Transactions during the period were as follows:

Provincial Grant	$ 500,000
Contribution from Surplus	530,000
Interest	8,106
	$1,038,106

The Corporation has outstanding guarantees as at March 31, 1990 amounting to approximately $2,750,000 with respect to the Export Loan Guarantee Program. The guarantees are funded by the Loan Guarantee Reserve Fund with any deficiency underwritten by the Province of British Columbia.

5. COMMITMENTS

The Corporation occupies premises under an occupancy agreement with the British Columbia Buildings Corporation, which expires in 1999. The minimum annual payment under the occupancy agreement is $452,052.

6. APPROPRIATIONS

The Corporation has appropriated $285,000 for export assistance programs, including the establishment of the British Columbia Trade Showcase, an exhibition of British Columbia products and services.

7. RELATED PARTY TRANSACTIONS

Related party information not presented elsewhere in the notes to the financial statements is presented below.

The Corporation entered into an Operating Agreement with the Province of British Columbia under which the Ministry of International Business and Immigration provided certain administrative services, some of which were provided at no cost.